

**MSAA**

**MULTIPLE SCLEROSIS  
ASSOCIATION OF AMERICA**

*Improving Lives Today!*®



# **What Happened to My Copay Assistance? How Copay Accumulators Are Affecting You!**

Live Webinar  
January 31, 2019  
8 pm Eastern

# Acknowledgement, MSAA, and Webinar Participation

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- MSAA would like to take this opportunity to thank Novartis for its support of tonight's webinar along with an upcoming patient brochure, an employer handout, and a live Ask Me Anything program. Copies of the brochures will be available soon on [mymsaa.org](http://mymsaa.org)
- MSAA's mission is to Improve Lives Today for people living with MS and their families. Just some of our free services include a national Helpline, Equipment and Cooling products, MRI funding assistance, educational programs, publications and webinars, mobile phone app, online peer support, and many more. To learn more, please call (800) 532-7667, or visit [mymsaa.org](http://mymsaa.org)
- Tonight's webinar will be archived on [mymsaa.org](http://mymsaa.org). We encourage you to type in your questions about the program in the Chat box on your screen. We'll have a Q & A session at the end. You can also use the Chat box to ask for technical assistance and a moderator will reply



## Webinar Overview

# Speakers and Agenda

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**Chris Sloan**

Associate Principal  
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1. Introductions
2. Key Terms and Background
3. What Is a Copay Accumulator?
4. How Do Copay Accumulators Work?
5. What Can You Do About Them?
6. Question and Answer Session



**Chad Brooker**

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cbrooker@avalere.com



## Key Terms and Background

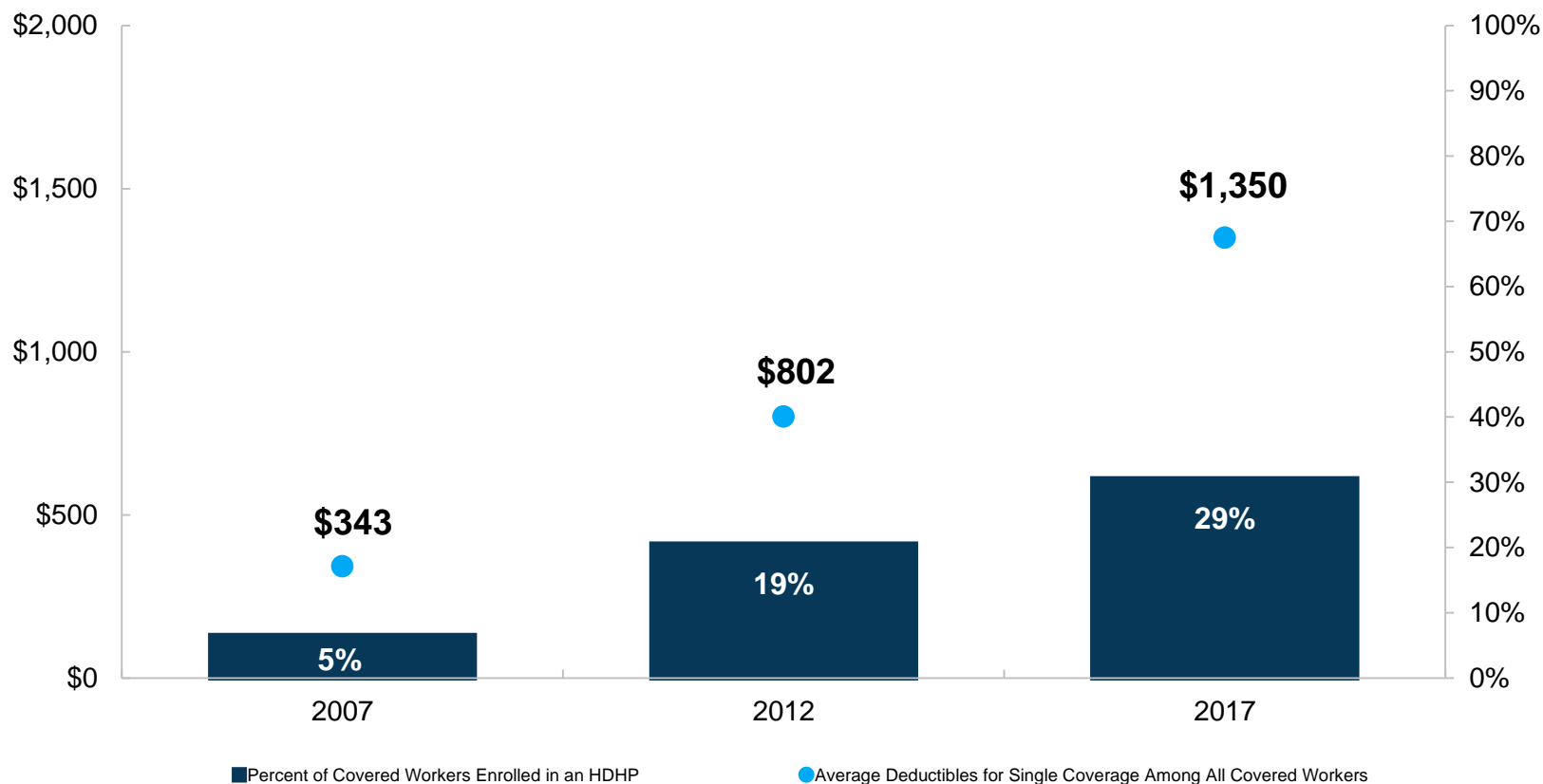
# Health Insurance Protects You from High Healthcare Costs, with Some Limits

Health insurance helps pay for essential healthcare. You can choose from many plans with different levels of coverage and OOP costs to fit your budget

Key Term	Definition	Example
<b>Deductible</b>	Costs for which you are responsible, before your insurance plan will start paying for healthcare expenses. Some plans do not cover the cost of drugs until the deductible has been met.	If your deductible is \$2,000, you will pay the full cost of your prescriptions until you reach \$2,000 in costs.
<b>Coinsurance</b>	Your share of costs of a healthcare item or service, calculated as a percent (for example, 20%), after you have met your deductible.	If your coinsurance rate is 20% and your prescription drug costs \$400, you are responsible for paying \$80 for that prescription.
<b>Copay</b>	A pre-determined amount (for example, \$20) that you pay for a healthcare service.	If your copay is \$20 and your prescription drug costs \$400, you are responsible for paying \$20 for that prescription.
<b>Out-of-Pocket Maximum</b>	The maximum amount your plan can require you to pay for all your healthcare services that year. Typically, your copays, coinsurance, and deductibles all apply to your maximum.	If your out-of-pocket maximum is \$5,000, your insurance will cover any and all covered healthcare expenses over that amount.

# Out-of-Pocket Costs for Patients Have Grown Significantly in Recent Years

## AVERAGE DEDUCTIBLE GROWTH AND HDHP ENROLLMENT AMONG COVERED WORKERS (2006-2017)



HDHP: High Deductible Health Plan

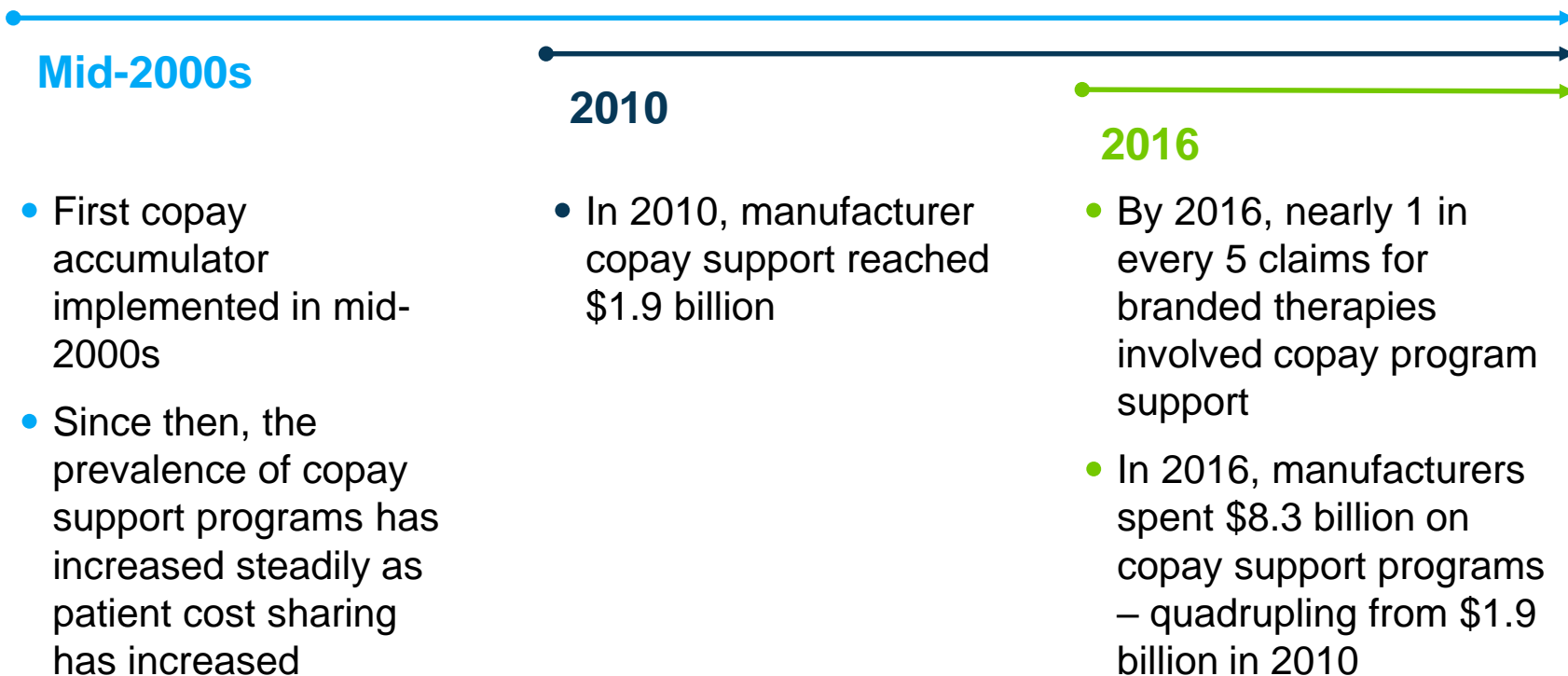
Source: "2018 Employer Health Benefits Survey," Kaiser Family Foundation. September 2017. "RAND's Health Insurance Experiment (HIE)". 1971-1986; Kaiser Survey 2016

Notes: Graph depicts deductible growth for single coverage among all covered workers. HDHPs are defined as (1) health plans with a deductible of at least \$1,000 for single coverage and \$2,000 for family coverage offered with an HRA (referred to as HDHP/HRAs); or (2) high-deductible health plans that meet the federal legal requirements to permit an enrollee to establish and contribute to an HSA (referred to as HSA-qualified HDHPs).



# Manufacturer Copay Assistance Programs Have Risen Alongside Patient Out-of-Pocket Costs

Copay assistance programs provide qualified patients direct financial assistance when they can't afford their prescription drug copays





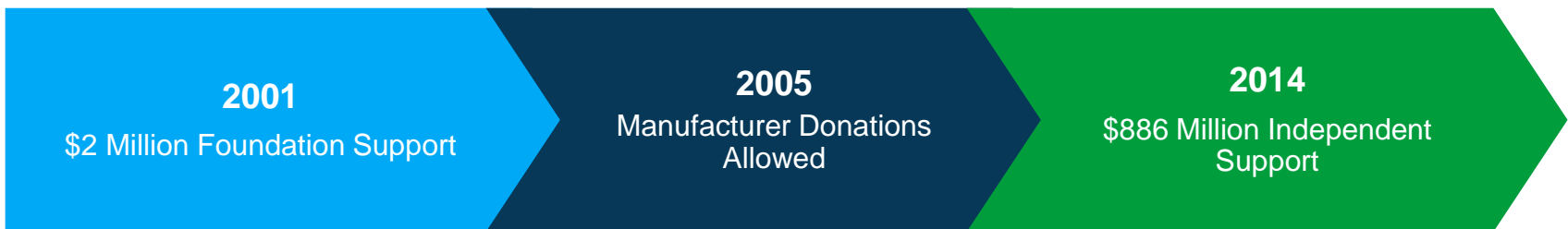
# Third-Party Foundations Also Support Patient Out-of-Pocket Costs, With Contributions from Manufacturers

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## Third-Party Foundation Support /

- Third-party charitable foundations are permitted to provide copay assistance, funded by manufacturer donations, to patients insured by government programs
  - Independent third-party charitable copay foundation expenditures have increased since 2011
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## Milestones in Third-Party Foundation Support /





## What Is a Copay Accumulator?

# What Is a Copay Accumulator?

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- A copay accumulator is a policy or provision in your health insurance plan that may increase how much you pay for your healthcare
- Your payer may include a copay accumulator as part of your healthcare insurance to reduce the amount they spend on high-cost prescription drugs
- If a drug you take is affected, your out-of-pocket costs for healthcare will rise



**It is important to learn how to spot copay accumulators so you can have conversations with your payer about how these policies or provisions increase your healthcare costs**



# Why Do Payers Use Copay Accumulators?

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Payers cite several reasons for implementing copay accumulators, including:

Realizing savings by shifting costs to manufacturers

Reducing a patient's deductible and original out-of-pocket amount

Keeping patients fiscally responsible for their benefit choices

Driving payer savings by maximizing cost sharing and copay assistance

Identifying patients and the amount of copay assistance used towards accumulated buckets



# How Do You Know if Your Payer Is Using a Copay Accumulator?

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Ask yourself these questions to determine whether your payer may be using a copay accumulator

## Question

## Response

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Have you recently received a notice from your health insurance company about a new copay program?



Are you paying more for medical services or prescription drugs?



Have you not yet reached your deductible (but you had at this time last year)?



**If you have answered yes to any of these questions, your payer may be using a copay accumulator**



# Who Is Affected by Copay Accumulators?

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Copay accumulators only apply to people in certain circumstances. You may be impacted if you fulfill any of the following scenarios:

## You Get Help Paying for Your Drugs

- Copay accumulators only work when you get help paying for drugs from the company that makes the drug you take (known as a “copay coupon” or a “copay assistance program”)

## You Order Your Drugs Online or by Mail

- Often, copay accumulators only apply to drugs that you have to order through special online or mail-based pharmacies

## You Have Multiple Sclerosis (MS)

- Many people with MS face high out-of-pocket costs for their prescription drugs and take advantage of copay assistance programs to make their prescription drugs more affordable



# Recent Federal Regulations Indicate Copay Accumulators May Spread to New Populations

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To-date, copay accumulators have largely been limited to the large employer market, though this is changing

CMS recently proposed to allow payers in the exchanges to exclude drug manufacturer coupons from counting toward maximum OOP limits

The proposal is limited to drugs where there is an equivalent generic, beginning in January 2020

This proposal mirrors efforts in the large group market to implement copay accumulators

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 **The recent proposal demonstrates that CMS is considering opportunities to implement copay accumulators and other coverage changes across government programs**



## How Do Copay Accumulators Work?

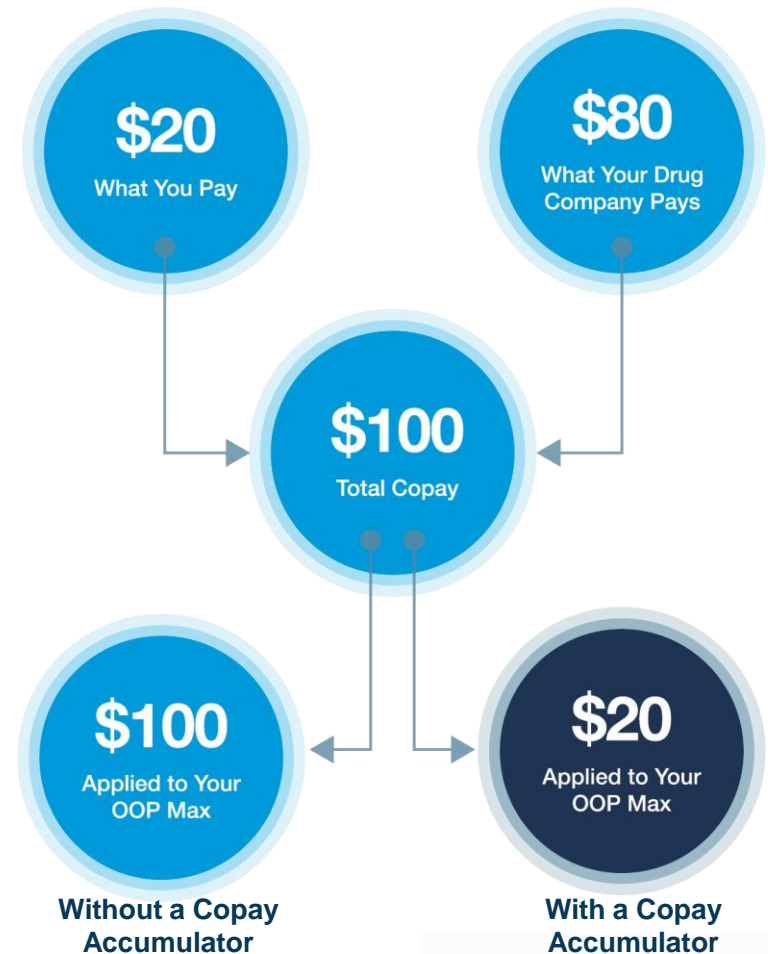


# How Do Copay Accumulators Work?

## Only Your Spending Counts /

- Copay accumulators only count the amount you spend on prescription drugs towards your deductible and out-of-pocket maximum
- The amount manufacturer copay coupons contribute to your healthcare costs are not counted
- **The costs of drugs, doctor visits, and labs are the same** with and without a copay accumulator
- However, **your healthcare spending increases** because copay accumulators prevent you from hitting your deductibles or OOP maximums, which can increase your costs

## Your Prescription Drug Costs /



# Copay Accumulators Adjust Patient Out-of-Pocket Costs Through a Backend Process

Patient Uses Coupon

Accumulator Adjustment

## At the Pharmacy

- Patient use a manufacturer copay assistance card for a prescription drug
- Patient pays a significantly reduced cost, reflecting copay assistance

## 1-2 Weeks Later

- PBM receives payment notification for the total transaction, triggering the accumulator program
- The accumulator adjusts deductible or out-of-pocket maximum, subtracting the copay assistance amount

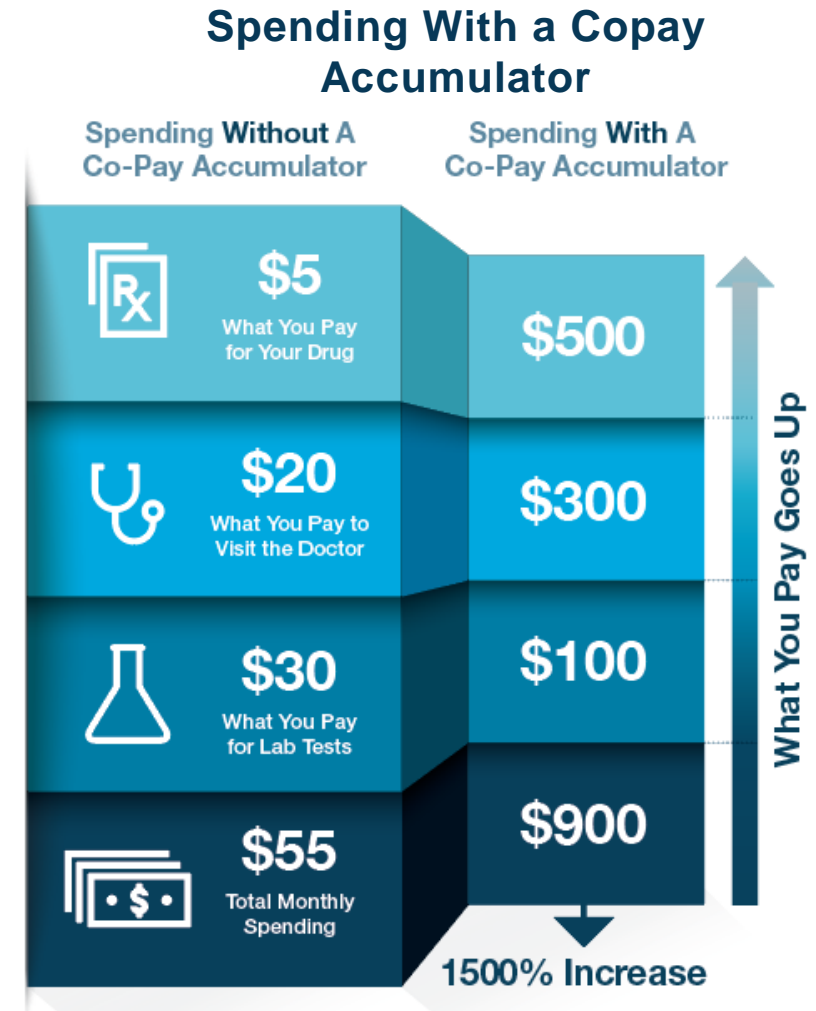


**The end result is that the deductible or out-of-pocket maximum reflects actual patient out-of-pocket costs**

# What Does This Mean for You?

## Your OOP Cost Will Rise /

- Copay accumulators can prevent you or delay you from reaching deductibles and out-of-pocket maximums, which means you pay cost sharing longer than you would without an accumulator
- When your payer uses a copay accumulator, this often increases your healthcare costs, including for:
  - Prescription drugs
  - Lab tests
  - Doctor's visits
  - Total healthcare spending





What Can You Do About Copay Accumulators?

# What Should You Do If You Think Your Payer Is Using a Copay Accumulator?

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Talk to your human resources (HR) department

Use the MSAA employer handout to help your employer understand the impacts of copay accumulators on your health and productivity

Contact the free healthcare advocate that may be provided as part of your insurance to help you sort through information

Call the copay assistance program that helps you pay your drug cost-sharing to learn about any additional help available

Contact your state's insurance department to learn about copay accumulators and your rights



**Your HR department can help you understand how copay accumulators might impact you**



Avalere | 21

# Why Is MS Different?

## Individualized Treatment

- MS impacts people in different ways, which means treatment is patient-specific and is frequently adjusted
- Patients typically can't just switch to a different or lower cost drug

## Ongoing Therapy

- Once a therapy is started, evidence shows that treatment needs to be ongoing for optimal benefits
- Non-adherence is associated with an increased rate of relapses and disability

## Quality of Life

- Treatment adherence is associated with better clinical and economic outcomes for MS patients, including improved long-term quality of life

Employers have a lot of power in designing copay accumulator program and can often work with their insurance or PBM partners to change which types of drugs are impacted by these programs.



## Question and Answer Session

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# **What Happened to My Copay Assistance? How Copay Accumulators Are Affecting You!**

Question and Answer Session



# Thank You!

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- This concludes our webinar. MSAA would like to once again thank Chris Sloan and Chad Brooker of Avalere for their excellent presentation on this very important topic as well as Novartis for its funding support of this program.
- As a reminder, tonight's webinar will be archived on MSAA's website, [mymsaa.org](http://mymsaa.org), along with our copay accumulator patient brochure and employer handout.
- Please consider completing the very brief evaluation survey that will immediately follow this last slide. On behalf of MSAA and our presenters tonight, thank you so much for watching!



## Appendix